

Instructions for Schedule PT

Property tax relief credits

Purpose of schedule

Use the 2007 Schedule PT to calculate your property tax relief income tax credits that are available for the 2007 tax year.

The credit for residential and agricultural property is calculated in Section 1 of Schedule PT.

The credit for commercial property is calculated in Section 2 of Schedule PT.

General instructions

Eligible property taxes

Both of the credits allowed for the 2007 income tax year are calculated on the **2006 real estate tax** or **2007 mobile home tax**. For property you directly own, you must have your 2006 real estate tax statement or your 2007 mobile home tax statement available to complete Schedule PT. If you claim the commercial property tax credit in Section 2 based on an interest in a passthrough entity, you have to obtain certain information from the entity—see Section 2, line 3a. To be eligible for the credits, the property taxes must be fully paid.

Contract for deed

If you hold an interest in property that is subject to a contract for deed, and you pay the eligible property taxes on the property, you may claim the property taxes for purposes of Schedule PT.

Single-member LLC or grantor trust

If you are the sole owner of a limited liability company (LLC) that is a disregarded entity for federal income tax purposes, or if you are the owner of a grantor trust, property held in the name of the LLC or grantor trust is considered to be held directly by you for purposes of Schedule PT.

Confidentiality waiver

Your completion and attachment of Schedule PT to your return constitutes your consent that the Office of State Tax Commissioner may divulge to a co-owner information from your Schedule PT pertaining to a jointly owned parcel of property for purposes of administering the tax credit.

Section 1

Residential and agricultural property income tax credit

Eligibility requirements

You qualify for the residential and agricultural property income tax if you meet all of the following requirements:

- You maintained a primary residence in North Dakota for the entire 2006 calendar year or you established a primary residence in North Dakota during the 2006 calendar year that you maintained until the end of that year.
- You owned residential or agricultural property located in North Dakota for which you were liable for the **2006 real estate tax** or the **2007 mobile home tax**.
- You paid the **2006 real estate tax** or the **2007 mobile home tax**. In the case of jointly owned property, this applies if any of the co-owners fully paid the tax.

Primary residence. A primary residence generally means a dwelling that you own or rent that, except for temporary absences, is the place where you reside most of the time during the year. Also, except for certain nonresident military members stationed in North Dakota—see below—it usually constitutes your legal residence for state income tax purposes.

U.S. armed forces members. You meet the North Dakota primary residence requirement if:

- You were a **resident** of North Dakota serving in the U.S. armed forces who was stationed outside North Dakota during the 2006 calendar year; *or*
- You were a **nonresident** of North Dakota serving in the U.S. armed forces who was stationed in North Dakota during the 2006 calendar year, and you lived in a home or apartment in North Dakota that was your primary residence while stationed in North Dakota.

Specific line instructions for Section 1

Line 1

Enter on this line the street address of your primary residence in North Dakota during the 2006 calendar year. **Do not enter a post office box number.**

Resident U.S. armed forces members.

If you were a resident of North Dakota serving in the U.S. armed forces and you were stationed outside North Dakota during the 2006 calendar year, do one of the following:

- If you did not maintain a home or apartment in North Dakota during your absence, check the box on line 1 and leave the boxes for the street address and city blank. Also skip line 2; *or*
- If you maintained a home or apartment in North Dakota during your absence, fill in the boxes for the street address and city.
Do not check the box in this case.

Line 3a

Enter the information for each parcel of eligible property. If you owned more than one parcel of eligible property, you may stop entering parcels when 10% of your total share of property taxes (in column E) equals or exceeds the maximum tax credit you are allowed—see line 6. If you need to enter more than 4 parcels, obtain Schedule PTC and complete **Continuation Schedule 1**.

You may enter a parcel only if all of the following apply:

- The property is classified as residential or agricultural for property taxes.
- The property is located in North Dakota.
- You owned the property on the due date of the **2006 real estate tax** or the **2007 mobile home tax**. The 2006 real estate tax became due on January 1, 2007. The 2007 mobile home tax became due on January 10, 2007; however, if you purchased the mobile home or moved it into North Dakota during the 2007 calendar year, the mobile home tax became due on the 10th day after its purchase or move.
- You paid the **2006 real estate tax** or **2007 mobile home tax** due on the property. In the case of jointly owned property, this applies if any of the co-owners fully paid the tax.

Column A. Enter the property (or parcel) number from your 2006 real estate tax statement or 2007 mobile home tax statement.

Column B. Using the County Number Table on page 18, enter the number for the county in which the parcel is located.

Column C. Enter the **consolidated tax** from your 2006 real estate tax statement or 2007 mobile home tax statement. This is the total amount of the property taxes before any special assessments are added and before

any discount is subtracted. Enter the total consolidated tax even though you may jointly own the property with one or more other persons.

Column D. If you own 100% of the parcel, enter 100.00. If you own less than 100% of the parcel, enter your ownership share as a percentage. For example, enter 50% as 50.00 (leaving the first space blank). If only you and your spouse own the parcel, and you are filing a joint return, enter 100.00.

Column E. If you own 100% of the parcel, enter the amount from Column C in Column E. If you own less than 100% of the parcel, multiply the amount in Column C by the percentage in Column D.

Section 2

Commercial property income tax credit

Eligibility requirements

You qualify for the commercial property income tax credit if you meet one or both of the following requirements:

- You owned commercial property located in North Dakota for which you were liable for the **2006 real estate tax** or the **2007 mobile home tax**. See line 1a.
- You owned an interest in a partnership, S corporation, or limited liability company (treated like a passthrough entity) that owned commercial property located in North Dakota for which the entity was liable for the **2006 real estate tax** or the **2007 mobile home tax**. See line 3a.

Specific line instructions for Section 2

Line 1a

Enter the information for each parcel of eligible property. If you owned more than one parcel of eligible property, you may stop entering parcels when 10% of your total share of property taxes (in column E) equals or exceeds the maximum tax credit you are

allowed—see line 7. If you need to enter more than 3 parcels, obtain Schedule PTC and complete **Continuation Schedule 2**.

You may enter a parcel only if all of the following apply:

- The property is classified as commercial for property taxes.
- The property is located in North Dakota.
- You owned the property on the due date of the **2006 real estate tax** or the **2007 mobile home tax**. The 2006 real estate tax became due on January 1, 2007. The 2007 mobile home tax became due on January 10, 2007; however, if you purchased the mobile home or moved it into North Dakota during the 2007 calendar year, the mobile home tax became due on the 10th day after its purchase or move.
- You paid the **2006 real estate tax** or **2007 mobile home tax** due on the property. In the case of jointly owned property, this applies of any of the co-owners fully paid the tax.

Column A. Enter the property (or parcel) number from your 2006 real estate tax statement or 2007 mobile home tax statement.

Column B. Using the County Number Table on this page, enter the number for the county in which the parcel is located.

Column C. Enter the **consolidated tax** from your 2006 real estate tax statement or 2007 mobile home tax statement. This is the total amount of the property taxes before any special assessments are added and before any discount is subtracted. Enter the total consolidated tax even though you may jointly own the property with one or more other taxpayers.

Column D. If you own 100% of the parcel, enter 100.00. If you own less than 100% of the parcel, enter your ownership share as a percentage. For example, enter 50% as 50.00 (leaving the first space blank). If only you and your spouse own the parcel, and you are filing a joint return, enter 100.00.

Column E. If you own 100% of the parcel, enter the amount from Column C in Column E. If you own less than 100% of the parcel, multiply the amount in Column C by the percentage in Column D.

Line 3a

Enter the information for each eligible partnership, S corporation, or limited liability company (treated like a passthrough entity). If you owned an interest in more than one entity, you may stop entering entities when 10% of your total share of the property taxes (in column E) equals or exceeds the maximum tax credit you are allowed—see line 7. If you need to enter more than 3 entities, obtain Schedule PTC and complete **Continuation Schedule 3**.

You may enter an entity only if all of the following apply:

- The entity owned property classified as commercial for property taxes.
- The commercial property is located in North Dakota.
- The entity paid the **2006 real estate tax** or **2007 mobile home tax** due on the commercial property.
- You owned an interest in the entity on the date the real estate tax or the mobile home tax became due. See the instructions to line 1a for the due dates.

Column C. Enter the eligible property taxes paid by the the entity on all of its North Dakota commercial properties. This is the **consolidated tax** from the entity's 2006 real estate tax statement(s) or 2007 mobile home tax statement(s). Do not include special assessments and do not subtract any discount.

Column D. Enter your distributive share in the entity as of the date the eligible property taxes became due. See the instructions to line 1a for when the eligible property taxes became due. Enter as a percentage. For example, enter 25% as 25.00.

Line 9

Enter the amount of the commercial property tax credit shown on line 8 that you are using to reduce your tax for 2007.

County Number Table

Adams.....001	Cavalier.....019	Grant.....037	McLean.....055	Ransom.....073	Steele.....091
Barnes.....003	Dickey.....021	Griggs.....039	Mercer.....057	Renville.....075	Stutsman.....093
Benson.....005	Divide.....023	Hettinger.....041	Morton.....059	Richland.....077	Towner.....095
Billings.....007	Dunn.....025	Kidder.....043	Mountrail.....061	Rolette.....079	Traill.....097
Bottineau.....009	Eddy.....027	LaMoure.....045	Nelson.....063	Sargent.....081	Walsh.....099
Bowman.....011	Emmons.....029	Logan.....047	Oliver.....065	Sheridan.....083	Ward.....101
Burke.....013	Foster.....031	McHenry.....049	Pembina.....067	Sioux.....085	Wells.....103
Burleigh.....015	Golden Valley.....033	McIntosh.....051	Pierce.....069	Slope.....087	Williams.....105
Cass.....017	Grand Forks.....035	McKenzie.....053	Ramsey.....071	Stark.....089	